

BREMERTON SCHOOL DISTRICT No. 100-C
Kitsap County, Washington
September 1, 1993 Through August 31, 1994

Schedule Of Findings

1. Enrollment Should Be Correctly Reported

Bremerton High School counted students withdrawn after the 15th of the month as enrolled on the next count date. We tested five months over the four-year period, fiscal 1992 through fiscal 1995. On average, each month tested was overreported by 16.28 FTE (full time equivalent) students or 1.428 percent of the total students reported. Based on district enrollment data and the Superintendent of Public Education (SPI) figures for per FTE basic education allotment, we estimate the district received over \$200,000 in excess funds from fiscal 1992 through fiscal 1995.

Washington Administrative Code (WAC) 392-121-122 states in part:

. . . full-time equivalent student means each enrolled student in the school district as of the fourth school day following the commencement of the school year and/or as of the first school day of any of the subsequent eight months . . .

The overenrollment of students was caused by a misunderstanding of enrollment counting by the current and prior high school registrars.

We recommend the district refile enrollment reports for fiscal years 1992 through 1995 and for any other fiscal years in which students may have been overreported. This process will allow SPI to adjust current apportionment payments to the district for any prior overpayments.

2. Staff Mix Factors Should Be Correctly Reported

Bremerton School District overreported years of experience for teaching staff. We tested 53 out of 400 teachers' staff mix files. We found 10 files with years of experience overreported. Of these, 2 files had overreporting errors that may affect the district's funding for fiscal 1994.

Staff mix factors are an integral part of the state funding formula for school districts and are derived from the Legislative Evaluation and Accountability Program (LEAP) table. The factors are determined by each certified staff member's educational training and professional experience as of October 1 of each year. Both the table and the guidelines for placement upon the table are set forth in Chapter 392-121 WAC.

WAC 392-12-280 states in part:

School districts shall have documentation on file and available for review which substantiates each certificated employee's placement on the state-wide salary allocation schedule and on LEAP salary allocation documents . . .

(4) Districts shall document years of experience that are eligible for application on the state-wide salary allocation schedule and on LEAP salary allocation documents. Documentation for years of experience shall be on letters or any other documents that provide evidence of employment including dates of employment.

The overreporting was caused by an inadequate review of documentation in teachers' files.

We recommend the district perform a comprehensive review of all staff mix files and report any corrections to the SPI.

3. Cash Receipting Controls Should Be Improved

During our surprise cash counts we noted the following internal control weaknesses.

Bremerton High School:

- a. Receipts were not transmitted to the district administration office daily.
- b. Nondistrict funds were held in the school vault.
- c. Athletic events:
 - (1) Game receipts were not adequately reconciled with tickets sold. For some games in fiscal 1995 there was no ticket reconciliation report available for audit.
 - (2) Game receipts were not deposited intact. At times during fiscal 1995, game workers were paid out of receipts.
 - (3) For parts of fiscal 1994 and 1995 the same person sold tickets, paid game workers, prepared the ticket reconciliation report, transported the money to the school office, prepared the transmittal, and wrote the office receipt.
- d. Money was not always counted and receipted the day it was received.
- e. Checks were not endorsed upon receipt.
- f. Family sport passes:
 - (1) Rediform receipts were used to receipt family sport passes. Since these are readily available from local retailers, a false receipt may easily be substituted for the real one.
 - (2) The first 30 receipt forms were missing from one receipt book we tested. High school personnel could not account for the missing receipt forms.
 - (3) Receipts were not deposited intact. We tested four transmittals in fiscal 1995. Only one matched in total, none matched in composition.
- g. Receipt books and transmittal forms were used out of sequence. Receipts were transmitted out of sequence to the district office. Composition of payment was not consistently marked on the receipt forms.
- h. The system had no way to easily determine which group of receipts tied to which transmittal.
 - Three unauthorized change funds were found.

Bremerton Junior High School:

- a. Cash receipts were not transmitted to the district administration office daily.
- b. Employees cashed personal checks from the receipts.
- c. Money was not always receipted at the time of receipt.

- d. At times there was no audit trail between receipts and transmittals.
 - (1) Receipt forms were not consistently marked for the form of payment.
 - (2) In some cases, the carbon receipt remaining in the receipt book was not legible because the cashier had not written heavily enough.
 - (3) There was no record of which groups of receipts tied to which transmittals.
- e. Rediform receipts were used in both the library and by some teachers.
- f. Checks were not endorsed upon receipt.
- g. No one could locate the \$75 petty cash fund assigned to the school.

Without a strong system of internal control over cash receipts, errors and omissions could occur for some time and not be discovered by management.

We recommend the district review the matters discussed above, correct the discrepancies and initiate a program to ensure proper internal control over cash receipts.